

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-02146A  
Peoples Valley Water Company  
15811 North 9th Avenue  
Phoenix, AZ 85023

**RECEIVED**

APR 14 2006

Z Corporation Commission  
Director of Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2005
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FOR COMMISSION USE

ANN04	05
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Entered  
4-14-06  
RF

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Peeples Valley Water Company</u>		
<b>Mailing Address</b> <u>P O Box 88006</u>		
(Street)		
<u>Phoenix, AZ 85080</u>	(State)	(Zip)
(City)		
<u>602-866-2329</u>	<u>602-866-0313</u>	<u>602-432-2516</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>ursaz@aol.com</u>		
<b>Local Office Mailing Address</b> <u>P O Box 88006</u>		
(Street)		
<u>Phoenix, AZ 85080</u>	(State)	(Zip)
(City)		
<u>602-866-2329</u>	<u>602-866-0313</u>	<u>602-432-2516</u>
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>ursaz@aol.com</u>		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Richard Darnall</u>			<b>Manager</b>
(Name)			(Title)
<u>P O Box 88006</u>			<u>Phoenix, AZ 85080</u>
(Street)	(City)	(State)	(Zip)
<u>602-866-2329</u>	<u>602-866-0313</u>	<u>602-432-2516</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>ursaz@aol.com</u>			
<b>On Site Manager:</b> <u>Jack Rauh</u>			
(Name)			
<u>P O Box 705</u>			<u>Yarnell, AZ 85362</u>
(Street)	(City)	(State)	(Zip)
<u>928-427-9446</u>	<u>928-427-9446</u>	<u>928-427-0967</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Ted Warner

(Name)

3550 N. Central, Suite 1500 Phoenix, AZ 85012

(Street)

(City)

(State)

(Zip)

602-264-7101

602-234-0419

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Ted Warner

(Name)

3550 N. Central, Suite 1500 Phoenix, Az 85012

(Street)

(City)

(State)

(Zip)

602-264-7101

602-234-0419

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	9,657	2,629	7,028
307	Wells and Springs	108,398	80,468	27,930
311	Pumping Equipment	29,535	29,535	0
320	Water Treatment Equipment	25,797	12,928	12,869
330	Distribution Reservoirs and Standpipes	104,683	76,647	28,036
331	Transmission and Distribution Mains	147,739	107,979	39,760
333	Services	27,862	17,248	10,614
334	Meters and Meter Installations	21,487	14,167	7,320
335	Hydrants	5,089	566	4,523
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,183	1,183	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>481,429</b>	<b>343,350</b>	<b>138,080</b>

This amount goes on the Balance Sheet Acct. No. 108

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	9,647	3.3	310
307	Wells and Springs	108,398	3.3	3,558
311	Pumping Equipment	29,535	12.5	483
320	Water Treatment Equipment	25,797	20.0	5,159
330	Distribution Reservoirs and Standpipes	104,683	2.2	2,302
331	Transmission and Distribution Mains	147,739	2.0	2,955
333	Services	27,862	3.3	871
334	Meters and Meter Installations	21,487	8.3	1,702
335	Hydrants	5,089	2.0	102
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,183	20.0	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>481,429</b>		<b>17,441</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

### **BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 7,077	\$ 2,255
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	10,310	16,226
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	2,856	3,067
162	Prepayments	2,857	3,158
174	Miscellaneous Current and Accrued Assets	48,084	39,449
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 71,184	\$ 64,155
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 471,083	\$ 481,430
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	325,894	343,336
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 145,189	\$ 138,094
	<b>TOTAL ASSETS</b>	\$ 216,373	\$ 202,249

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

### **BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 33,467	\$ 57,321
232	Notes Payable (Current Portion)	12,896	12,896
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	392	515
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 46,755	\$ 70,732
	<b>LONG-TERM DEBT (Over 12 Months)</b>	51,104	38,208
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	11,493	11,472
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	121,722	121,722
272	Less: Amortization of Contributions	87,049	92,980
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 46,166	\$ 40,214
	<b>TOTAL LIABILITIES</b>	\$ 144,025	\$ 149,154
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	161,661	161,661
215	Retained Earnings	(89,313)	(108,566)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 72,358	\$ 53,095
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 216,373	\$ 202,249

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 94,485	\$ 97,452
460	Unmetered Water Revenue		
474	Other Water Revenues	1,296	952
	<b>TOTAL REVENUES</b>	\$ 95,781	\$ 98,404
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	5,845	5,905
618	Chemicals	8,772	6,909
620	Repairs and Maintenance	17,591	18,170
621	Office Supplies and Expense	182	0
630	Outside Services	35,400	43,800
635	Water Testing	1,466	2,292
641	Rents	8,016	12,931
650	Transportation Expenses	3,085	4,059
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	1,053	1,579
675	Miscellaneous Expense	816	601
403	Depreciation Expense and Amort. Expense	14,132	11,511
408	Taxes Other Than Income		
408.11	Property Taxes	5,485	5,623
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 101,853	\$ 113,380
	<b>OPERATING INCOME/(LOSS)</b>	\$ ( 6,072)	\$ ( 14,976)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 17	\$ 0
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	3,432	4,273
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 3,415	\$ 4,273
	<b>NET INCOME/(LOSS)</b>	\$ ( 9,477)	\$ ( 19,253)



**COMPANY NAME**    **Peeples Valley Water Company**

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	<b>12/10/97</b>	<b>04/23/04</b>		
Source of Loan	<b>Meridian Bank</b>	<b>Meridian Bank</b>		
ACC Decision No.	<b>60342</b>	<b>64047</b>		
Reason for Loan	<b>Plant Additions</b>	<b>Plant Additions</b>		
Dollar Amount Issued	\$ <b>94,680</b>	\$ <b>33,400</b>	\$	\$
Amount Outstanding	\$ <b>21,601</b>	\$ <b>29,503</b>	\$	\$
Date of Maturity	<b>12/10/07</b>	<b>04/23/14</b>		
Interest Rate	<b>Prime +1.5% %</b>	<b>Prime +1.5% %</b>	<b>%</b>	<b>%</b>
Current Year Interest	\$ <b>1,829</b>	\$ <b>2,449</b>	\$	\$
Current Year Principle	\$ <b>9,556</b>	\$ <b>3,340</b>	\$	\$

Meter Deposit Balance at Test Year End	\$ <b>11,472</b>
Meter Deposits Refunded During the Test Year	\$ <b>2,281</b>

**COMPANY NAME** Peeples Valley Water Company

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
625279	10	85	115	8	2	1970
563104	10	100	225	8	2	1988

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2.5	2	2	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
80,000	2	5,000	1

COMPANY NAME Peeples Valley Water Company

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	3,800
5		
6	PVC	39,000
8	PVC	500
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	179
3/4	8
1	17
1 1/2	4
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**

Chlorine injection both wells.

Yardney Separator & Excel 1 and 3 micron filters (Well #2)

**STRUCTURES:**

Fencing around both well sites and storage tanks.

Elevated pad for filters Well #2.

**OTHER:**

COMPANY NAME: Peeples Valley Water Company

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	209	783,100	1,327
FEBRUARY	208	474,900	615
MARCH	208	774,800	886
APRIL	205	1,089,100	1,252
MAY	204	1,788,000	2,051
JUNE	205	2,005,200	2,227
JULY	205	1,604,900	1,852
AUGUST	208	1,368,200	1,553
SEPTEMBER	208	1,590,700	1,800
OCTOBER	215	1,091,900	1,350
NOVEMBER	215	815,700	753
DECEMBER	215	1,064,000	1,103
TOTAL		14,476,500	16,769

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes                      (x) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes                      (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. .001 mg/l  
(If more than one well, please list each separately.)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME Peeples Valley Water Company YEAR ENDING 12/31/2005

### PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 5,623

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

8004 5/13 1199926 502-07-071 502-07-162A2 2249  
PEEPLS VALLEY WATER CO. 93005 2012  
PEEPLS VALLEY WATER CO. 93005 2012  
500071610 10000297136  
PAY TO THE ORDER OF Peoples Valley Water Co. \$ 2,991.00  
Twenty Nine Hundred Seventy One and 00/100  
BANKNOTE  
FOR Peoples Valley Water Co.  
072767470 10000297136

PEEPLS VALLEY WATER CO. 2311  
PEEPLS VALLEY WATER CO. 93005 2012  
PEEPLS VALLEY WATER CO. 93005 2012  
10/15/2005  
PAY TO THE ORDER OF Peoples Valley Water Co. \$ 3,532.00  
Three Thousand Five Hundred Thirty Two and 00/100  
BANKNOTE  
FOR Peoples Valley Water Co.  
072767470 10000355285

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

**RECEIVED**

APR 14 2006

Z Corporation Commission  
Director of Utilities

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Jerry Angle</u>
COMPANY NAME	<u>Peoples Valley Water Company</u>

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



  
SIGNATURE OF OWNER OR OFFICIAL

602-264-7101  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

13<sup>th</sup>

DAY OF

COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	<u>2006</u>

(SEAL)

  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 9/18/09

**COMPANY NAME** Peeples Valley Water Company **YEAR ENDING 12/31/2005**

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported N/A  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

\_\_\_\_\_  
**PRINTED NAME**

\_\_\_\_\_  
**TITLE**

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

APR 14 2006

Arizona Corporation Commission  
Director of Utilities

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Jerry Angle</u>
COMPANY NAME	<u>Peoples Valley Water Company</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2005</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)  
104,687

\$ \_\_\_\_\_

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 6,283  
IN SALES TAXES BILLED, OR COLLECTED)



**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

[Signature]  
SIGNATURE OF OWNER OR OFFICIAL  
602-264-7101  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 13<sup>th</sup> DAY OF

(SEAL)

COUNTY NAME	<u>Maricopa</u>
MONTH	<u>April</u>
	<u>2006</u>

[Signature]  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 9/18/09



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

**RECEIVED**  
APR 14 2006  
Z Corporation Commission  
Director of Utilities

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME) <b>Maricopa</b>	
NAME (OWNER OR OFFICIAL) <b>Jerry Angle</b>	TITLE <b>President</b>
COMPANY NAME <b>Peoples Valley Water Company</b>	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

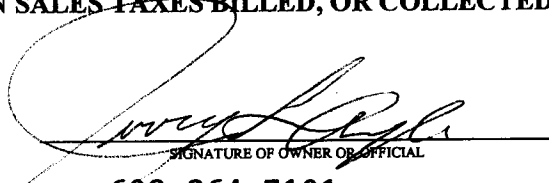
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>104,687</u>

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 6,283  
IN SALES TAXES BILLED, OR COLLECTED)

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**



  
SIGNATURE OF OWNER OR OFFICIAL  
**602-264-7101**  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

13<sup>th</sup>

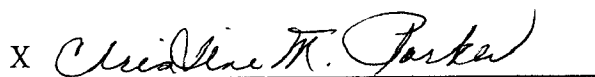
**DAY OF**

NOTARY PUBLIC NAME <b>CHRISTINE M. PARKER</b>	
COUNTY NAME <b>Maricopa</b>	
MONTH <b>April</b>	2006

**(SEAL)**

**MY COMMISSION EXPIRES**

9/18/09

X   
SIGNATURE OF NOTARY PUBLIC